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SUBJECT: CONTAINER SECURITY: NEW X-RAY TECHNOLOGY UNCOVERS ILLEGAL BEEF SHIPMENT AT NORTHERN JAPAN PORT

REF: TOKYO 3266152

On May 22nd, five people in Japan were arrested for their attempt to smuggle Japanese beef into China. China banned Japanese beef imports due to the discovery of BSE (bovine spongiform encephalopathy) in September 2001. In recent years, as China has become more prosperous, however, the demand for high-end "Wagyu" beef among wealthy consumers in China has increased, providing an incentive (and the necessary profit margins) for illegal trade. In April, Tomakomai Port Customs in Hokkaido seized a shipment heading to Amoy that contained boxes of Japanese beef products labeled as frozen crab - uncovered with the help of new scanning technology and precipitating the arrests. The Port of Tomakomai is one of the few ports in Northern Japan that utilizes equipment that is in compliance with the U.S. freight security initiatives. It apparently works as intended. END SUMMARY.

A Chinese branch manager of the seafood processing company Fujita Geihan allegedly helped set up the smuggling route to wealthy meat lovers in China. Empty boxes marked for frozen crab were first sent to "Take One", a meat distributing company in Osaka, and packed with beef. The boxes were then sent back to Fujita Geihan in Monbetsu (in northeast Hokkaido) and hidden within containers filled with other boxes that did actually contain frozen crab. Fujita Geihan and Take One company presidents, the Chinese branch manager of Fujita Geihan, and two other employees were investigated and arrested for their alleged involvement in the deception after the illegal beef was discovered during a scan of the container at Tomakomai Port, just east of Sapporo.

Smuggling beef in container shipments is just one of the tactics used to get expensive beef into China. Smugglers have also been caught carrying Japanese beef in their carry-on bags at the Kansai International Airport (KIX). After the government of China formally requested that Japan take the appropriate steps to prevent travelers from smuggling Japanese beef into China last December, KIX seized several hundred kilograms of Japanese beef. Chinese authorities seized a total of three tons of Japanese beef at Shanghai's Pudong International Airport between June and November 2007. The government of Japan is now implementing more rigorous preventative measures to combat beef smuggling. Interestingly, media reports on the arrests all included straightforward reference to BSE in Japanese herds as the reason for Japanese beef being banned. (Usually the Japanese press focuses on the dangers of beef imported from the U.S. to Japan.)

Tomakomai Port handles the majority of sea freight within the Hakodate customs district and was equipped with scanning technology in 2004. Tomakomai Port still remains the only facility out of 13 in the district that has x-ray technology and can scan freight containers. Tomakomai Port's scanning technology is the type of security measure that the U.S. security freight initiative (SFI) attempts to build upon by enhancing governments' capacity to scan containers for nuclear and radiological materials and to better assess the risk of

inbound containers. Recently, U.S. delegates visited Japan and participated in a well attended discussion on SFI agreements and the technology requirements. (See REFTEL.) Although the beef wasn't weapons grade, this incident demonstrated that the technology does perform as intended.

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